

Message Text

SECRET

PAGE 01 BRUSSE 00360 01 OF 02 141802Z

53

ACTION EUR-12

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 L-03 MC-02

ACDA-05 CIAE-00 INR-07 NSAE-00 DODE-00 EB-07 /063 W
----- 096693

R 141649Z JAN 76

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 5813

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

USMISSION NATO

S E C R E T SECTION 1 OF 2 BRUSSELS 00360

E.O. 11652: GDS

TAGS: PARM: PFOR; MASS; XG; BE

SUBJECT: DEPARTMENTAL STUDY OF CONVENTIONAL ARMS SUPPLY
RESTRAINTS

REF: STATE 305504

FOLLOWING ARE OUR COMMENTS KEYED TO SECTIONS III- VIII OF PARA
5 REFTEL:

III. IN RECENT YEARS THE OLD ESTABLISHED BELGIAN ARMS MANUFACTURERS
HAVE SUBSTANTIALLY REORIENTED THEIR OPERATIONS, DEEMPHASIZING
PRODUCTION OF WEAPONS AND AMMUNITION BY DIVERSIFYING. FOR EXAMPLE,
PRB, FOUNDED IN 1776 AND LONG KNOWN AS A MANUFACTURER OF EXPLOSIVES
AND AMMUNITION, IS TRANSFORMING ITS AMMUNITION AND SHELLS
PRODUCTION LINE INTO AN AUTO PARTS LINE. THEY HAVE ALSO ACQUIRED
AN IMPORTANT CAPACITY FOR PRODUCTION OF POLYURETHANE PRODUCTS.
SIMILARLY, FABRIQUE NATIONAL HERSTAL, BELGIUM'S LARGEST ARMS
MANUFACTURER, COUNTS ON MAJOR NEW BUSINESS IN ITS MILITARY AIRCRAFT
ENGINE DIVISION THROUGH PARTICIPATION IN CO-PRODUCTION
OF THE F-100 ENGINE FOR THE (US) F-16 FIGHTER PLANE. THEY
ALSO HAVE DIVERSIFIED INTO OTHER NON-WEAPONS PRODUCT LINES,
ALTHOUGH WEAPONS, RIFLES AND AMMUNITION STILL ACCOUNT FOR

SECRET

SECRET

PAGE 02 BRUSSE 00360 01 OF 02 141802Z

ROUGHLY HALF OF THE COMPANY'S BUSINESS.

BELGIAN ARMS FIRMS COUNT ON EXPORTING A LARGE PORTION OF THEIR PRODUCTION, BUT ARE EMBARRASSED WHEN THEIR PRODUCTS FIND THEIR WAY TO IRRESPONSIBLE PERSONS OR GROUPS. THEY SUPPORT GUIDELINES ON LEGITIMATE MARKETS, BUT HAVE SUCCEEDED IN KEEPING BELGIAN GOVERNMENT OVERSIGHT OF THEIR EXPORT BUSINESS TO A MINIMUM. NO MEANINGFUL CONTROLS EXIST FOR THE TRANSPORT OF SMALL QUANTITIES OF HUNTING AND SPORTING WEAPONS ACROSS NATIONAL BORDERS BETWEEN BELGIUM AND NEIGHBORING STATES.

ARMS MANUFACTURING AND MARKETING DIRECTLY EMPLOYS SEVERAL THOUSAND PEOPLE (PROBABLY 8-10,000), LARGELY CONCENTRATED IN ONE PART OF THE COUNTRY. A SUDDEN CHANGE IN POLICY REGARDING TRANSFERS TO THIRD COUNTRIES WOULD CREATE CONSIDERABLE DISLOCATION, BUT AN ORDERLY, UNHURRIED SHIFT TO OTHER PRODUCT LINES AND TO CO-PRODUCTION OF WEAPONS SYSTEMS WITHIN THE ATLANTIC ALLIANCE IS ALREADY IN PROCESS AND CAN BE EXPECTED TO CONTINUE. THUS, IF THAT TREND IS ENCOURAGED WITHOUT EXCESSIVE PRESSURE BEING APPLIED, QUESTIONS OF UNEMPLOYMENT AND BALANCE OF PAYMENTS DEFICITS WHICH MIGHT RESULT FROM ARMS TRANSFER RESTRICTIONS NEED NOT ARISE.

IV. CURRENT PUBLIC AND OFFICIAL ACTIVITIES. BELGIAN GOVERNMENT AND PUBLIC IS HIGHLY SENSITIVE TO BELGIUM'S ROLE IN ARMS TRANSFERS. ARMS BUSINESS HAS FEW PROPONENTS- ONLY THOSE WHO MANUFACTURE WEAPONS AND EXPLOSIVES AND THOSE WHOSE JOBS DEPEND ON THE TRADE. OPPONENTS ARE WIDESPREAD, BUT DIVIDED AND NOT NUMEROUS. ISSUE HAS NOT SO FAR BECOME SIGNIFICANT POLITICALLY. THERE ARE FEW SIGNS AT PRESENT THAT THIS SITUATION WILL CHANGE DRASTICALLY.

OPPONENTS INCLUDE: (A) PACIFIST ELEMENTS, CONCENTRATED POLITICALLY WITHIN SOCIALIST PARTY AND GEOGRAPHICALLY IN FLANDERS; (B) LEFTISTS, WHO OPPOSE ARMS TRAFFIC TO SELECT GOVERNMENT AND GROUPS; (C) ELEMENTS THROUGHOUT BELGIAN GOVERNMENT AND POLITICAL SPECTRUM WHO FEAR THAT BELGIUM MAY BECOME INVOLVED IN THIRD WORLD DISPUTES ON ACCOUNT OF TRAFFIC; AND (D) LOCAL OFFICIALS WHO ARE

SECRET

SECRET

PAGE 03 BRUSSE 00360 01 OF 02 141802Z

CONCERNED WITH SAFETY ASPECTS OF TRADE. CATEGORY C IS SEEN IN EXTREME CARE BELGIAN GOVERNMENT HAS TAKEN TO PROTECT ITSELF FOR TRANSHIPMENTS OF SURPLUS US MAP EQUIPMENT TO ISRAEL AND D IN RECENT ACTION BY ZEEBRUGGE PORT AUTHORITIES TO LIMIT QUANTITY OF MUNITIONS IN PORT. OVERALL BELGIAN GOVERNMENT CONCERN IS REFLECTED IN FACT THAT ALL BELGIAN MILITARY WEAPONS EXPORTS (INCLUDING COMMERCIAL) ARE CONSIDERED CLASSIFIED AND ARE NOT PUBLISHED IN ANNUAL

TRADE STATISTICS.

V. INTRA -EUROPEAN CONCERNS. WHILE ISSUES NOTED REFTEL UNDER THIS HEADING WOULD POSE BELGIUM PROBLEMS, THEY APPEAR TO US TO PALE BESIDE OTHER PROBLEMS DISCUSSED IN SECTIONS VI, VII AND VIII BELOW. AS SUCH THEY WOULD PROBABLY BE MANAGEABLE.

SO FAR, AND WITH NOTABLE EXCEPTIONS, E.G. THE F-16, BELGIAN-EUROPEAN ARMAMENT DISCUSSIONS HAVE FOCUSSED ON MEANS BY WHICH EUROPE COULD GET TOGETHER TO ACHIEVE A TECHNOLOGICAL EQUALITY WITH THE US AND HOW TO ORGANIZE THEIR SMALLER INDUSTRIES SO THAT A REAL "TWO-WAY STREET" COULD BE ACHIEVED. THEIR AIM HAS BEEN TO GET A SHARE OF THE US, IN ADDITION TO THE "THIRD WORLD" ARMS MARKET. EFFORTS TOWARD THESE GOALS ARE NOT NECESSARILY INCOMPATIBLE WITH THE CONTEMPLATED LIMITATION OF THE ARMS TRADE. WE BELIEVE THE BELGIANS WOULD FAVOR THE PRINCIPLE OF DEVELOPING GUIDELINES TO REORGANIZE AND RATIONALIZE ARMS MARKETS WITH THE US, WITHIN THE ALLIANCE GENERALLY, AND WITH THIRD PARTIES.

SECRET

NNN

SECRET

PAGE 01 BRUSSE 00360 02 OF 02 141825Z

53

ACTION EUR-12

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 L-03 MC-02

ACDA-05 CIAE-00 INR-07 NSAE-00 EB-07 DODE-00 /063 W
----- 097126

R 141649Z JAN 76

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 5814

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

USMISSION NATO

S E C R E T SECTION 2 OF 2 BRUSSELS 0360

CO-PRODUCTION AGREEMENTS APPEAR TO OFFER MAJOR BENEFITS FOR THE INDUSTRIES OF SMALLER COUNTRIES SUCH AS BELGIUM, BUT IT IS MUCH TOO EARLY FOR THESE COUNTRIES TO BE

CONFIDENT OF REALIZING ALL THE POTENTIAL BENEFITS. SUCH CRUCIAL CONSIDERATIONS AS COMPARATIVE COSTS IN PRIMARY CONTRACT COUNTRY AND CO-PRODUCING COUNTRY, RHYTHM OF PRODUCTION, THIRD COUNTRY SALES POLICIES, AND THE INDUSTRY/GOVERNMENT INTERFACE RAISE QUESTIONS THAT WILL ONLY BE ANSWERED OVER TIME. THE F-16 PROJECT IS THE TESTBED FOR DEVELOPING THIS COMPLEX RELATONSHIP IN THE INTEREST OF ALL. BELGIAN SKEPTICISM ABOUT WHETHER PARTICIPATION IN THE PROGRAM WILL TURN OUT TO BE ECONOMICALLY ADVANTAGEOUS IS FREQUENTLY EXPRESSED. THE WILLINGNESS OF THE USG TO MAKE THE "TWO-WAY STREET" VIABLE IS TESTED, IN BELGIAN EYES, BY OUR RESPONSES TO SUCH SPECIFIC BELGIAN INITIATIVES AS:

-- MACHINE GUN SALES TO THE US ARMY;

-- PERMISSION TO SELL TANK FIRE-CONTROL MECHNISM TO THIRD WORLD CUUNTIES;

-- SEARCH FOR CUSTOMERS FOR "EPERVIER" BATTLEFIELD
SECRET

SECRET

PAGE 02 BRUSSE 00360 02 OF 02 141825Z

SURVEILLANCE SYSTEM.

VI. ALLIED RECEPTIVITY TO POSSIBLE LIMITATIONS. BELGIUM IS LIKELY TO BE RECEPTIVE TO ROPOSAL TO CONSIDER MEANS BY WHICH PRESENT ARMS TRADE CAN BE LIMITED. THREE FACTORS WOULD SHAPE BELGIAN GOVERNMENT'S VIEWS: (A) BELGIUM WOULD NOT WANT TO HAVE WEST UNILATERALLY GIVE UP PRESENT LEVELS OF ARMS TRADE IF SOVIET/CHINESE BLOCS DO NOT. THEREFORE, ANY ARRANGEMENT WOULD ULTIMATELY HAVE TO INCLUDE THESE COUNTRIES AND THEIR ALLIES. (B) WESTERN EUROPEAN POLICY WOULD HAVE TO BE CAREFULLY COORDINATED SO THAT NO EUROPEAN COUNTRY GAINS MARKETS AT EXPENSE OF BELIUM. FRANCE'S WILLINGNESS TO COOPERATE IN SUCH AN ARRANGEMENT WOULD BE CRITICAL. (C) ARMS RECIPIENTS OR PURCHASERS IN THE MIDDLE EAST AND THIRD WORLD WOULD HAVE TO BE NEARLY UNANIMOUS IN AGREEING TO WORLD-WIDE ARRANGEMENTS SO THAT NO COUNTRY GAINS MILITARY ADVANTAGE BY NOT SUBSCRIBING TO ANY SUGGESTION FOR SELF-LIMITATION. ISRAELI AND SOUTH AFRICAN ISSUES MAY BE GREATEST STUMBLING BLOCKS IN THIS REGARD. BELGIUM ALSO HAS AMPLE EXPERIENCE WITH THIRD WORLD VIEWS THAT MIGHT WELL CHARGE THAT ANY ARRANGEMENT IS SIMPLY A MECHANISM BY WHICH DEVELOPED STATES HOPE TO KEEP THIRD WORLD DEPENDENT ON DEVELOPED COUNTRIES. TO THE EXTENT THAT OTHER BELGIAN TRADE MIGHT BE AFFECTED. ADVERSELY BY SUCH HOSTILITY TO ARMS LIMITATION PROPOSAL, BELGIUM COUL BE EXPECTED TO OPPOSE IT.

VII. POSSIBLE FORA FOR DISCUSSION. BELGIUM IS MOST APT

TO RESPOND FAVORABLY TO AT LEAST A TWO-STAGE DISCUSSION. THE FIRST, BILATERAL TO EXPLORE CONFIDENTIALLY TOGETHER WHAT MIGHT BE DONE TO ADDRESS THE PROBLEM; THE SECOND (IF THE FIRST STAGE PRODUCES RESULTS) TO MOVE TOWARDS A WORLD-WIDE CONFERENCE OF BOTH SUPPLIERS AND RECIPIENTS. INTERVENING STAGES CAN BE ENVISAGED DURING WHICH SOUNDINGS ARE TAKEN WITHIN EUROPE, BETWEEN EAST AND WEST, AND WITH SELECTED THIRD WORLD STATES. THE KEY TO ALL STEPS BEYOND THE BILATERAL EFFORT WOULD PROBABLY BE ATO RAISE THE ISSUE, WITHOUT SPECIFIC PROPOSALS, TO DETERMINE IF A BROAD CONSENSUS COULD BE DEVELOPED. WE BELIEVE BELGIUM MIGHT WELCOME SUCH AN APPROACH AND COULD PLAY A USEFUL ROLE WITHIN SUCH A FRAMEWORK.

SECRET

SECRET

PAGE 03 BRUSSE 00360 02 OF 02 141825Z

VIII. TYPES OF POTENTIAL GUIDELINES. WE CONSIDER LIST OF POTENTIAL GUIDELINES (PARA 5 VIII REFTEL) MORE SUEFUL AS BASIS FOR BILATERAL BACKROUND DISCUSSION WITH BELGIANS THAN AS SUBSTANTIVE PROPOSAL TO PURSUE AT THIS TIME. WE BELIEVE THAT BELGIANS WOULD WANT TO HAVE VIEWS OF OTHERS BEFORE ACCEPTING ANY SUCH FORMULA PER SE. BELGIANS WOULD BE REALISTS IN ADDRESSING SUBJECT, AND WOULD NOT WANT TO RULE OUT OR ACCEPT ANY APPROACH UNTIL REACTION FROM KEY GROUPS (PARA VI ABOVE) ARE RECEIVED. BELGIAN REACTION IS APT TO BE BASED MORE ON WHAT OTHER KEY ELEMENTS MIGHT ACCEPT, THAN WHAT BELGIUM MIGHT PREFER. WIDE ACCEPTABILITY AND EFFECTIVENESS OF PROPOSALS ARE LIKELY TO BE DETERMINANTS IN GAINING BELGIAN SUPPORT. WE WOULD PREFER TO POSE OUR VIEW OF LIST OF POSSIBILITIES OT BELGIANS WITH A REQUEST FOR THEIR VIEWS - OUR MUTUAL AIM BEING TO FIND A FORMULA ALL STATES MIGHT ACCEPT IN THE END.

IT MIGHT BE BETTER TO SEEK FORMULA WHICH (A) ASSURES RECIPIENT STATES THAT THEIR SECURITY CONCERNS WILL BE PROTECTED AND (B) WHICH DOES NOT GIVE ANY IMPLICATION THAT THE DEVELOPED COUNTRIES ARE SEEKING WAYS TO "FREEZE" CURRENT STRATEGIC SITUATION TO DISADVANTAGE OF NON-ARMS PRODUCING STATES. ANSWERS TO THESE QUESTIONS ARE, WE REALIZE, NO EASIER THAN FINDING SUITABLE FORMULA FROM AMONG THOSE LISTED.

FIRESTONE

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SMALL ARMS, MUNITIONS CONTROLS, EXPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BRUSSE00360
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760014-0055
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760160/aaaacapt.tel
Line Count: 269
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 75 STATE 305504
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 25 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 MAR 2004 by izenbel0>; APPROVED <03 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DEPARTMENTAL STUDY OF CONVENTIONAL ARMS SUPPLY RESTRAINTS
TAGS: PARM, PFOR, MASS, ETRD, XG, BE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006